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Dairy

OUTLOOK & SITUATION

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Table 1--U.S. Dairy situation at a glance

Item	Unit or base period	Quarterly data					
		1st 1980	1st 1981	2nd 1981	3rd 1981	4th 1981	1st 1982
Production and cow numbers:							
Total milk	Mil. lb.	10,412	10,809	11,713	11,029	10,661	11,000
Milk per cow	Lb.	967	994	1,075	1,010	971	1,000
Number of milk cows	Thou.	10,772	10,877	10,892	10,925	19,981	11,005
Prices received by farmers:							
All milk, sold to plants, 100 pounds	Dol.	12.80	13.97	13.53	13.53	14.00	13.77
Percentage of parity 1/	Pct.	71	69	70	69	67	65
Manufacturing grade milk, 100 pounds	Dol.	11.73	12.90	12.60	12.47	12.97	12.83
Parity equivalent	Dol.	15.49	17.62	17.92	17.95	17.89	18.68
Fat content	Pct.	3.77	3.73	3.60	3.57	3.81	3.77
Minnesota-Wisconsin (3.5% fat), 100 pounds	Dol.	11.44	12.66	12.61	12.49	12.53	12.49
Milk eligible for fluid market, 100 pounds	Dol.	12.97	14.13	13.70	13.73	14.20	13.97
Price ratio and dairy ration value:							
Milk-feed	Lb.	1.55	1.40	1.37	1.44	1.54	1.54
Value of concentrate ration fed milk cows	Dol.	7.00	8.35	8.30	8.21	7.73	7.60
Farm cash receipts from dairy products	Mil. dol.	3,978	4,496	4,714	4,450	4,446	4,521
Production of factory products:							
Butter	Mil. lb.	306.8	347.0	328.6	250.2	302.3	368.6
American cheese, whole milk	Mil. lb.	558.4	638.1	740.2	619.1	611.1	655.6
Cheese, other than American	Mil. lb.	396.6	384.7	136.9	132.8	142.2	131.2
Canned milk, unskimmed	Mil. lb.	59.9	56.5	66.7	64.9	64.5	57.8
Dry whole milk	Mil. lb.	7.0	6.8	7.6	7.8	8.8	8.9
Frozen products 2/	Mil. gal.	256.3	249.8	326.7	116.0	244.8	251.1
Creamed cottage cheese	Mil. lb.	70.2	64.9	68.2	65.9	58.8	61.3
Total (milk equivalent, fat-solids-basis) 3/	Mil. lb.	5,762	6,261	7,002	6,165	5,877	6,471
Nonfat dry milk, human use	Mil. lb.	80.8	101.5	130.9	108.5	97.1	112.2
Wholesale prices:							
Butter, Grade A, Chicago, pound	Ct.	130.3	147.2	147.4	148.2	149.2	147.6
Cheese, American (40-pound blocks), f.o.b. Wisconsin assembling points, pound	Ct.	127.1	139.1	138.9	139.2	140.6	137.7
Evaporated milk, case	Dol.	19.14	21.42	21.70	21.70	21.90	21.99
Dry whole milk, pound	Ct.	105.9	119.0	118.4	118.2	118.6	118.4
Nonfat dry milk, pound	Ct.	84.0	93.7	93.9	93.9	94.2	93.6
Dairy products (BLS)	1967=100	221.6	244.9	245.2	245.3	247.2	247.9
Retail prices (BLS):							
Consumer price index 4/	1967=100	236.5	262.9	269.0	276.7	280.7	283.0
All food 4/	1967=100	245.3	270.5	273.0	277.2	277.5	282.4
All dairy products 4/	1967=100	219.4	241.6	243.7	244.1	245.0	246.3
Fluid milk and cream	12/77=100	123.7	133.8	134.8	134.7	134.9	135.3
Whole milk	1967=100	203.2	219.1	220.6	220.3	220.7	221.5
Other	12/77=100	122.5	133.6	134.6	134.8	135.1	135.3
Manufactured dairy products	12/77=100	124.5	140.5	142.0	142.7	143.6	144.7
Butter	1967=100	217.8	242.6	244.9	246.4	248.0	249.4
Cheese	12/77=100	124.2	139.1	140.5	140.8	141.0	142.7
Frozen desserts	12/77=100	124.6	144.9	146.4	148.1	149.8	150.1
Other	12/77=100	120.8	134.3	136.0	136.5	138.5	139.3
Margarine	1967=100	248.3	256.5	256.1	256.9	255.8	257.1
Stocks, end of quarter:							
Creamery butter	Mil. lb,	217.2	407.4	507.5	489.5	429.2	445.3
Cheese, total 5/	Mil. lb.	497.7	737.0	928.7	982.1	975.8	899.0
Canned milk, unskimmed	Mil. lb.	76.5	40.5	77.6	102.1	46.8	48.2
Dry whole milk	Mil. lb.	6.1	3.9	3.6	3.0	6.0	6.9
Total (milk equivalent, fat-solids-basis) 6/	Mil. lb.	9,276	15,358	19,534	19,813	18,377	17,990
Nonfat dry milk	Mil. lb.	445.3	632.5	733.1	809.0	889.7	975.6
Commercial disappearance:							
Creamery butter	Mil. lb.	250.4	190.0	215.3	228.1	244.4	208.7
Cheese, American	Mil. lb.	515.2	517.4	503.3	526.3	544.0	529.9
Cheese, other than American	Mil. lb.	421.3	433.7	444.9	455.6	525.8	447.9
Canned milk, unskimmed	Mil. lb.	176.9	179.1	158.4	168.5	237.9	170.1
Milk in all products	Mil. lb.	29,360	27,854	30,172	31,621	30,481	28,298
Nonfat dry milk	Mil. lb.	159.8	97.4	84.2	159.1	114.8	94.4
USDA net removals:							
Butter	Mil. lb.	41.0	143.4	126.9	36.8	44.4	164.1
Cheddar cheese	Mil. lb.	62.7	132.9	219.9	137.1	73.2	127.9
Nonfat dry milk	Mil. lb.	93.1	189.6	287.4	199.7	174.6	235.0
Evaporated milk	Mil. lb.	3.4	5.0	4.9	4.7	4.0	3.9
Total (milk equivalent, fat-solids-basis)	Mil. lb.	1,474	4,285	4,804	2,123	1,648	4,660

1/ Seasonally adjusted prices as percentage of parity price. 2/ Ice cream, ice milk, and sherbet. 3/ Includes manufactured products for which current data are available. 4/ For all urban consumers starting January 1978. 5/ Natural, plus process American cheese held by CCC. 6/ Excludes cream and bulk condensed milk.

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Principal Contributors
Clifford M. Carman
Barbara A. Claffey
(202) 447-8636

Statistical Assistant
LaVerne T. Williams
(202) 447-8636

Electronic Word Processing
Francina F. Edwards

Economic Research Service
U.S. Department of Agriculture
Washington, D.C. 20250

The next *Dairy Situation* will be published in September.

Summary

A harsh winter and weak milk prices probably acted in concert to slow the output expansion. Milk production in first-quarter 1982 increased from a year earlier, but at a slower rate. The number of milk cows on farms decreased from January to March, but remained 1 percent more than a year ago. March output per cow was virtually unchanged from a year ago.

Average prices paid for 16-percent protein dairy ration remained below year-earlier levels through spring. Mid-May prices averaged $181 per ton, up $2 from April, but $19 below a year ago. With May milk prices seasonally lower, the milk-feed price relationship declined from 1.55 in January to 1.47 in May. However, while milk prices are lower than a year earlier, the milk-feed ratio is still above last May's 1.35, so concentrate feeding remains relatively attractive.

The slowing in the expansion of milk output is not enough to significantly reduce the current surplus. The cow herd is likely to remain above year-earlier levels until at least late 1982 or 1983. The January 1 inventory of dairy herd replacements was more than ample for a normal culling rate. Thus, while culling may have been heavy during the winter because of harsh weather and a concurrent drawdown of hay stocks, the dairy herd likely will stop contracting and may even expand. For the rest of the year, the milk-feed price ratio likely will favor continued heavy concentrate feeding, while pastures are expected to be good to excellent. Therefore, output per cow probably will be above year-earlier levels. Milk production for the year is expected to exceed 1981 output by around 2 percent, compared with a gain in 1981 of 3.2 percent.

A record 130.3 billion pounds of milk were marketed by dairy farmers in 1981, up 3.3 percent from 1980. Cash receipts totaled $18.1 billion, a 9-percent gain.

Prices received by farmers for all milk fell from the January average in April and May, reflecting the normal seasonal increase in production and lower fat content,

and no support price increase. For the first half of 1982, all-milk prices are expected to average about 1 to 2 percent below year-earlier levels. Following a seasonal slowdown in production, and the expected recovery in the general economy which should help boost commercial use, third and fourth quarter milk prices may rise modestly from a year earlier.

Wholesale prices for butter, cheese, and nonfat dry milk have remained relatively steady since October 1980. Retail product prices—reflecting abundant supplies, steady wholesale prices, and sluggish consumer demand—have posted very modest increases since January and year-ago levels.

New dairy legislation proposed by the Administration has been introduced in the Congress. Several other bills containing changes in dairy programs have also been introduced. Passage of any new legislation will alter the current outlook for milk production, prices, and income of dairy farmers.

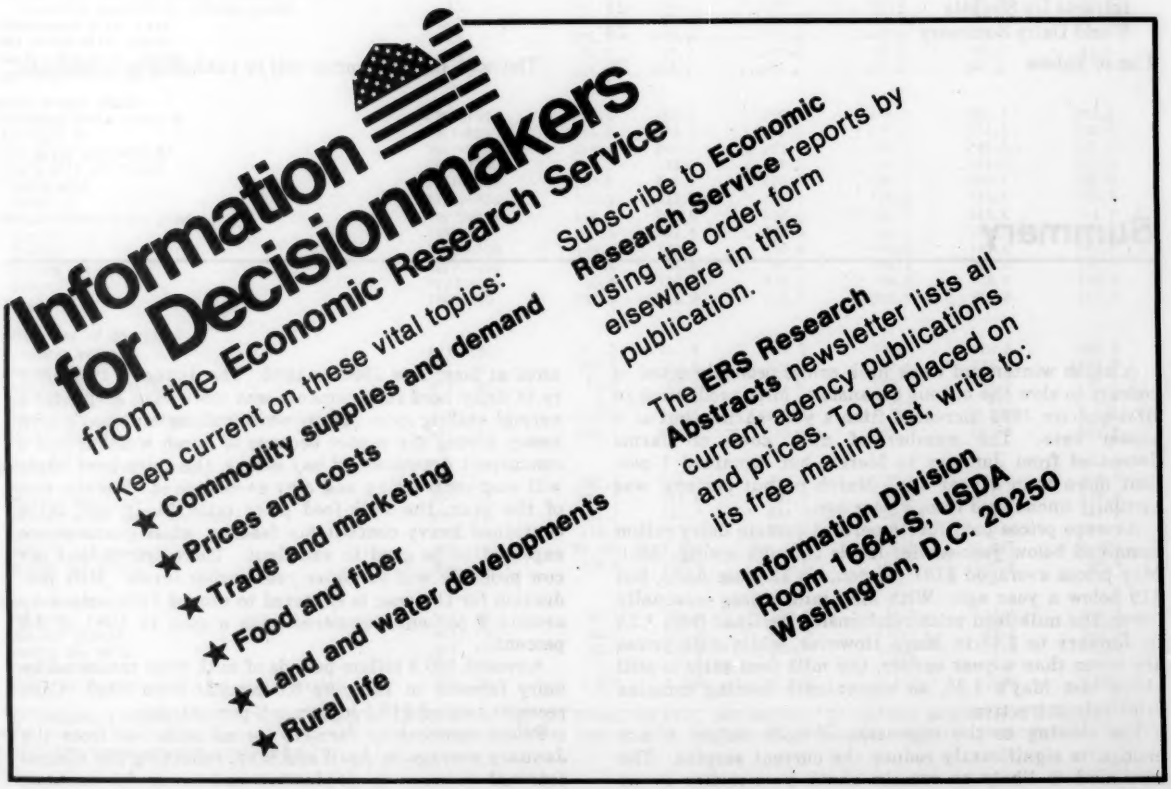
Total output of manufactured dairy products on a milk-equivalent, fat-solids-basis increased during the first quarter of 1982. However, manufactured product output appears to be slowing from the strong gain of early 1981. First-quarter production of butter, nonfat dry milk, and American and other cheese increased at substantially lower rates than in first-quarter 1981.

While manufactured output shows signs of moderating, commercial disappearance and per capita consumption appear to be increasing. First-quarter 1982 commercial use of milk and dairy products was up 1.7 percent from last year's low levels. In addition, given larger USDA donations—including the special butter and cheese donations to needy persons—per capita consumption of dairy products this year is expected to improve somewhat over 1981.

Commercial holdings of dairy products, on a milk-equivalent basis, were smaller at the beginning of the second quarter of 1982 than a year ago. Government holdings have continued to increase, but at lower rates. Government net purchases of butter and cheese during April-May were near year-earlier levels, and nonfat dry milk purchases were larger.

During January-April, U.S. dairy imports (milk-equivalent, fat-solids-basis) were 6 percent larger than a year earlier.

Current prospects point toward a gain in global milk production of less than 1 percent in 1982. World cheese production may be up 3 percent, while butter output may rise less than 1 percent.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Dairy Situation

PRODUCTION

First quarter milk production increased from a year earlier, but at a slower rate. The number of milk cows on farms decreased from January to March and March output per cow remained virtually unchanged from a year ago. Concentrate feeding continues to be attractive relative to last year, although the milk-feed price relationship declined from January to May. Of the 33 States reporting milk production in March, 10 had a smaller output than a year ago, and 3 reported no change. Last year, only Alabama reported a year-over-year production decline. Meanwhile, a record 130.3 billion pounds of milk were marketed by dairy farmers in 1981, up 3.3 percent from 1980. On balance, milk production for the current year is expected to exceed 1981 levels by around 2 percent.

Feed Prices Remain Below Last Year

Average prices paid for 16-percent protein dairy ration remained below year earlier levels through spring. Mid-May prices averaged $181 per ton, up $2 from April, but $19 below a year ago. With May milk prices seasonally lower, the milk-feed price relationship declined, from 1.55 in January to 1.47 in May. However, while milk prices are lower than a year ago, the milk-feed ratio is still above last May's 1.35, thus concentrate feeding remains relatively attractive.

Milk/feed price ratio[1]

Month	1979	1980	1981	1982
		Pounds		
January	1.62	1.54	1.39	1.55
February	1.59	1.57	1.39	1.54
March	1.58	1.55	1.41	1.52
April	1.56	1.55	1.39	1.50
May	1.53	1.53	1.35	1.47
June	1.51	1.50	1.36	
July	1.43	1.47	1.40	
August	1.51	1.42	1.43	
September	1.54	1.39	1.48	
October	1.55	1.42	1.53	
November	1.59	1.40	1.56	
December	1.54	1.38	1.54	
Average	1.55	1.48	1.44	

[1]Pounds of 16% protein ration equal in value to 1 pound of milk.

Participation in the feed grain acreage reduction program and weather developments will undoubtedly exert a major influence on 1982 grain prices and supplies. Sign-up for the acreage reduction program amounted to 75 percent of the corn base, 86 percent for sorghum, 60 percent for oats, and 87 percent for barley, while 84 percent of the wheat base was under enrollment. However, the extent to which farmers comply with the program will not be known until about 6 weeks prior to harvest.

Grain prices have firmed up slightly since December because a substantial amount of corn has been removed from the market and put into the farmer-owned reserve. By late April, nearly 2 billion bushels were isolated from the market. This has helped boost prices—by mid-May, the average farm price was $2.56 a bushel, 22 cents above the November (harvest) low, but 68 cents below a year earlier. For the corn marketing year, October 1, 1981 to September 30, 1982, farm prices are expected to average $2.50 per bushel. Although the acreage reduction program and the likelihood of yields below 1981 may result in a smaller U.S. corn crop than the record 8.2 billion bushels of last year, larger stocks may prevent significant price increases for corn. However, higher loan rates are expected to result in average farm prices about 20 cents higher in 1982/83.

The 1981 soybean crop was large, and supplies are above last year's level. Thus, in spite of increased exports, the 1981/82 carryover stocks will be relatively large and when combined with the expected larger 1982 crop, supplies for 1982/83 are likely to be record large. With use likely up less than supplies, ending stocks would increase and keep downward pressure on prices.

Mid-May prices received by farmers for soybeans were $6.31 per bushel, up 32 cents since March and about 30 cents above harvest levels (October-December 1981), but $1.09 below a year earlier. For the 1981/82 marketing year, farm prices are expected to average $6.05 and for 1982/83 will likely range between $5.85 and $7.50. Soybean meal prices at Decatur in mid-June were quoted at

Table 2—Milk-feed relationships, 1970-81

Year	All milk sold to plants	Ration value	Cost of concentrate fed[1]	Milk-feed difference	Returns over concentrate cost
			Dol per cwt		
1970	5.71	3.28	1.39	2.43	4.32
1971	5.87	3.44	1.46	2.43	4.41
1972	6.07	3.52	1.47	2.55	4.60
1973	7.14	4.88	2.12	2.26	5.02
1974	8.33	6.23	2.65	2.10	5.68
1975	8.75	6.25	2.63	2.50	6.12
1976	9.66	6.31	2.63	3.35	7.03
1977	9.72	6.21	2.61	3.51	7.11
1978	10.60	6.08	2.60	4.52	8.00
1979	12.00	6.68	2.95	5.32	9.05
1980	13.00	7.42	3.29	5.58	9.71
1981	13.80	8.04	3.59	5.76	10.21

[1]Value of concentrate fed per 100 lbs of milk produced.

about $185 per ton, down $15 from a year earlier. In 1981/82, meal prices may average $185 per ton, about 15 percent below a year earlier. In 1982/83 meal prices are expected to be between $175 and $210.

Beginning supplies of hay and silage on January 1 were larger this year, but the harsh winter resulted in increased roughage feeding. Hay stocks on May 1 were 1 percent below the low levels of a year earlier and 25 percent below 2 years earlier. Also, a late spring in parts of the country delayed pasture development and prolonged the period of hay feeding during May. Mid-May farm prices for baled alfalfa hay were $85 per ton, up $2 from last May and 17 percent higher than mid-January's $72.60. Hay prices may decline as hay feeding is replaced by green chop and pasture. Conditions appear favorable for a good hay crop this year. Pastures were rated good to excellent throughout the country on June 1—7 percentage points above conditions of a year earlier and 5 points above the 1971-80 average. Even at that, the wet cool spring has likely held down growth. With adequate moisture and warm summer weather, excellent pasture and hay conditions are expected.

Production Expansion Slowing

Unseasonably harsh winter weather for much of the Nation and weak milk prices characterized the first quarter of 1982. While March marked the 35th consecutive month of increased year-over-year milk production, there are signs that the expansion may be slowing. First-quarter production totaled 33 billion pounds, 1.8 percent more than a year ago. But this was less than half the 5-percent increase for first-quarter 1981 over 1980 (adjusted for leap year).

The number of milk cows on farms averaged 11 million for the first quarter, up 1.1 percent from last year. However, from January through March, cow numbers decreased by 18,000 to 10.997 million, maybe signaling a slowdown in herd expansion. This is in contrast with a month-to-month gain in cow numbers since mid-1979.

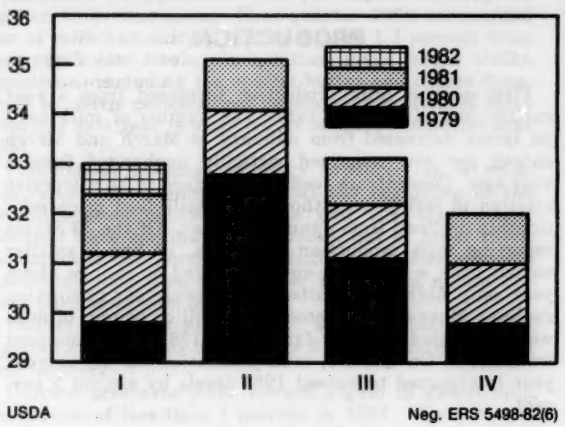
Another sign that the expansion may be slowing is output per cow. First-quarter output per cow was up a very modest 0.6 percent from last year, compared with a year-earlier gain of 3.9 percent (adjusted for leap year). In addition, March production per cow remained virtually unchanged at 1,059 pounds, compared with a 4.1-percent expansion in March 1981 from a year earlier.

U.S. milk production

Month	1980	1981	Change	1982	Change
	Million pounds		*Percent*		*Percent*
January	10,320	10,786	+4.5	11,047	+2.4
February	9,972	10,129	+1.6	10,311	+1.8
March	10,945	11,511	+5.2	11,642	+1.1
April	11,024	11,509	+4.4	[1]	
May	11,697	12,055	+3.1		
June	11,335	11,576	+2.1		
July	11,075	11,344	+2.4		
August	10,794	11,104	+2.9		
September	10,353	10,638	+2.8		
October	10,461	10,751	+2.8		
November	10,055	10,384	+3.3		
December	10,494	10,847	+3.4		
Total	128,525	132,634	+3.2		

[1]Monthly numbers no longer available. Second-quarter production will appear in September issue.

U.S. Milk Production by Months, 1978 to 1982



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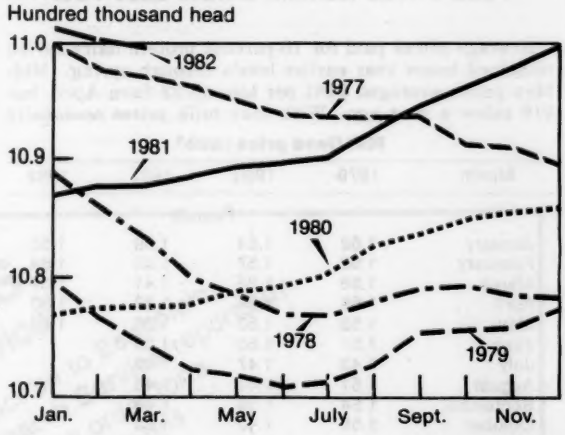
Milk Cows on Farms



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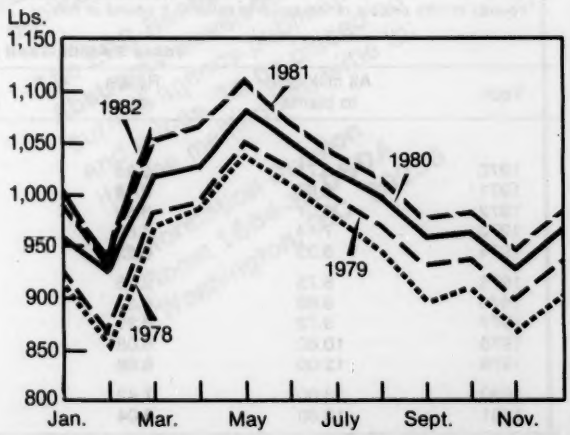
Milk Production Per Cow



USDA Neg. ERS 261-82(6)

March 1982 output per cow in Minnesota and Wisconsin was down almost 3 percent from a year earlier due to harsh weather along with short and expensive hay supplies.

Eight production regions reported gains in first-quarter production compared with last year, led by the Mountain region—up 9.5 percent, Pacific—up 4.4 percent, and the Southeast—up 3.1 percent. Decreases occurred in both the Northern Plains (0.9 percent) and the Delta States—(0.3 percent). The important production regions of the Northeast and Corn Belt were up 1.8 percent each, while the Lake States were up 0.2 percent.

Data from the five leading milk production States indicate that three had increased March output; Pennsylvania—up 3.7 percent from last year, California—up 4.3 percent, and Minnesota—up a slight 0.5 percent. Milk production during March fell in both New York and Wisconsin, by 0.6 and 2.5 percent, respectively. To put these changes into perspective, each of the five States posted substantial year-over-year gains in March 1981. Meanwhile, of the 33 States reporting milk production in March, 10 had a smaller output than a year ago, and 3 reported no change, compared with March 1981 when only one (Alabama) was below a year earlier.

Although production data for second-quarter 1982 are not yet available (due to a decrease in the frequency of "Milk Production" reports from the Crop Reporting Board), data on producer deliveries in Federal order markets are available. While comparisons with Federal order data are useful, they are at best an incomplete indication of what total milk production may have done. Federal order receipts are marketings (not production) by Grade A dairy farmers. While producer receipts for comparable markets can be used, the comparison may be affected by the number of producers switching from Grade B to Grade A milk production and then becoming associated with a Federal order market, changes in on-farm use, and changes in the number and makeup of the comparable markets. Federal order receipts for comparable markets in April and May were up 0.9 percent and 2.2 percent, respectively. These gains in receipts compare with an increase of 2.3 percent in March and increases a year earlier of 6.4 and 4.1 percent in April and May, respectively.

However, even with a slowing in the expansion of milk production it is not enough to substantially reduce the current surplus. Rather it will take reduced profitability to discourage production. However, with milk prices near year-earlier levels, feed prices substantially lower, and the rate of price increases for other production items dramatically reduced, there is not yet strong incentive to reduce production.

Despite the decline in cow numbers from January to March, the cow herd is likely to remain above year-earlier levels until at least late 1982 or early 1983. The inventory of dairy replacements on January 1 was more than ample for a normal culling rate. Thus, while culling may have been heavy during the winter because of the harsh weather and the concurrent drawdown of hay stocks, the dairy herd will likely stop contracting and may even expand. Mid-June utility cow prices at $44 per cwt are up from the beginning of the year, but are only about $1 above a year ago. Utility cow prices are not expected to improve much during the year, thus the relationship between milk prices and the salvage value will likely favor continued retention of milk cows.

Gains in output per cow slowed during the winter, likely the result of the harsh weather and the declining level of hay stocks. As stocks were drawn down, only the poorer quality hay was left to feed—perhaps of lesser quality than normal. Thus, despite favorable milk-feed price relationships that resulted in a 1.2-percent expansion of the already heavy concentrate feeding, output per cow in March was only 1 pound greater than a year earlier. For the rest of the year, the milk-feed price ratio will likely remain favorable to continued heavy concentrate feeding, while pastures are expected to be good to excellent; thus output per cow will likely be above year-earlier levels. Milk production for the year is expected to exceed 1981 output by around 2 percent.

Utility cow prices, Omaha

Month	1979	1980	1981	1982
		Dollars per cwt		
January	47.33	47.94	41.61	36.64
February	50.81	51.22	43.65	38.11
March	52.94	48.80	43.12	39.41
April	57.00	45.73	42.93	41.26
May	55.51	42.78	42.39	43.40
June	50.60	44.06	42.88	
July	47.80	43.33	43.78	
August	48.33	45.53	44.31	
September	49.65	46.56	42.47	
October	47.71	45.93	40.60	
November	46.49	43.91	38.71	
December	46.98	42.92	36.65	
Average	50.10	45.73	42.01	

Table 3—Milk used and marketed by farmers, 1975-81

	1975	1976	1977	1978	1979	1980	1981[5]
				Billion pounds			
Used on Farms where Produced:							
Fed to calves[1]	1.6	1.6	1.5	1.5	1.4	1.4	1.4
As fluid milk or cream[2]	1.5	1.4	1.3	1.2	1.0	0.9	0.9
Total on-farm-use[3]	3.1	3.0	2.8	2.7	2.5	2.3	2.3
Milk Marketed by Farmers:							
Sold to plants and dealers	110.5	115.5	118.2	117.2	119.4	124.7	128.8
Sold directly to consumer[4]	1.6	1.5	1.5	1.5	1.5	1.5	1.5
Total milk marketed[3]	112.3	117.2	119.8	118.8	120.9	126.2	130.3
Total milk production[1 3]	115.4	120.2	122.7	121.5	123.4	128.5	132.6

[1]Excludes milk sucked by calves. [2]Includes farm-churned butter. [3]May not add due to rounding. [4]By producers who sell only milk from their herds. Also includes milk produced by institutional herds. [5]Preliminary.

1981 Marketings Up

A record 130.3 billion pounds of milk were marketed by dairy farmers in 1981, up 3.3 percent from 1980 (table 3).

Whole milk sold to plants and dealers comprised 97.1 percent of total production in 1981, up a tenth of a percentage point from 1980. Milk sold directly to consumers rose 2.3 percent, but as a share of total production remained unchanged from 1980's 1.1 percent. Use of milk on farms where produced was 2.3 billion pounds, 1.75 percent of total production, down only 16 million pounds from 1980. Declining farm use reflects fewer persons on farms and less milk fed to calves.

Grade A milk eligible for fluid markets in 1981 accounted for 85 percent of all milk sold to plants and dealers, up 1 percentage point from 1980 (table 4). Grade B milk marketings declined 0.7 billion pounds (3.5 percent) from 1980's 20 billion pounds.

PRICES AND INCOME

Prices received by farmers for all milk fell from the January average in April and May, reflecting the normal seasonal increase in production and lower fat content, and no support price increase. For the first half of 1982, all-milk prices are expected to average about 1 to 2 percent below year-earlier levels. Following a normal seasonal slowdown in production, the scheduled 15 cents per cwt increase in milk price supports October 1, and the expected recovery in the general economy, third and fourth quarter milk prices should rise modestly from current levels. Wholesale prices for butter, cheese, and nonfat dry milk have remained relatively steady since October 1980. Retail product prices, reflecting abundant supplies, steady wholesale prices and sluggish consumer demand, have posted very modest increases from January and year-ago levels.

Manufacturing grade milk marketed

State	1970	1975	1979	1980	1981
			Billion pounds		
Wisconsin	8.2	7.2	6.6	6.3	6.2
Minnesota	6.6	4.8	4.1	3.9	3.9
Iowa	2.9	2.1	1.6	1.6	1.6
Missouri	1.0	1.0	.7	.7	.7
South Dakota	1.1	1.0	1.0	1.1	1.1
Idaho	1.0	.9	1.0	1.1	1.2
Nebraska	.8	.7	.5	.5	.5
California	.9	.7	.5	.5	.6
Kentucky	.8	.5	.4	.4	.4
Illinois	.7	.5	.4	.5	.5
United States	28.6	22.1	19.7	20.0	19.3

Table 4—Fluid grade milk as percent of all milk sold by farmers to plants and dealers, selected years[1]

Region	1970	1975	1979	1980	1981
North Atlantic	99	99	99	100	100
South Atlantic	96	98	98	98	98
West No. Central	38	49	58	60	62
East No. Central	68	75	77	79	79
South Central	84	89	92	93	93
Western	85	88	91	91	91
U.S.	74	80	84	84	85

[1]Percentage eligible for fluid use (Grade A in most States). Includes fluid grade milk used in manufactured products.

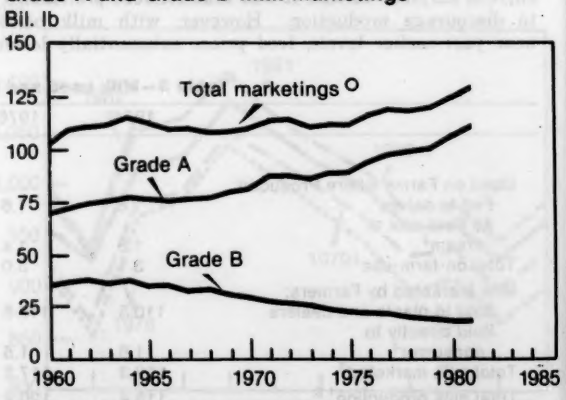
Farm Milk Prices Decline

Prices received by dairy farmers in April and May declined both seasonally and from a year ago (table 5). The seasonal drop reflects the normal seasonal trend of increased production and declining fat tests. The short fall from a year earlier was because of ample supplies and unchanged support prices. Except for the first 20 days of October 1981, the current support price of $13.10 per cwt for national average test ($12.80 at 3.5 percent) has been unchanged since October 1, 1980. April prices for manufacturing grade milk averaged $12.60 per cwt, down 40 cents from January. After adjusting to 3.67 percent fat content, April prices averaged $12.58 per cwt, off 17 cents from the adjusted January price. Manufacturing grade prices at test averaged $12.50 per cwt in May; adjusted to 3.67 percent fat content, May prices averaged $12.59. Both April and May adjusted manufacturing grade milk prices were below the adjusted average prices received during the first quarters of 1982 ($12.66) and 1981 ($12.79). April and May prices at test were down 0.8 percent from a year earlier. This contrasts sharply with the April and May 1981 year-over-year increases of 7.6 and 7.7 percent, respectively. May also marked the 26th consecutive month that manufacturing grade milk prices (adjusted for fat content) were below the support price. In May, manufacturing milk prices (adjusted to 3.67 percent fat content) averaged 51 cents below the support price.

During the past several months, minimum Class I prices in Federal order markets edged downward. In July, these prices will average $14.58 per cwt, down 13 cents from February and 14 cents below July of last year. December 1980 was the last time that Class I prices were lower than $14.58. Although minimum Federal order Class I prices dropped, Class I prices negotiated by cooperative associations fell at a somewhat faster rate in recent months. As a result, the estimated average over-order payment in Federal order markets declined from 69 cents in January to 57 cents in June. The tentative Class II price in 29 Federal order markets for July will be $12.58.

Prices received by farmers in April for all milk averaged $13.40 per cwt, down 2.2 percent from a year ago. Adjusted to 3.67 percent fat test, the all-milk price in

Grade A and Grade B Milk Marketings*



*Grade A is eligible for the fluid market, grade B is manufacturing grade.
oMilk sold to plants and dealers.

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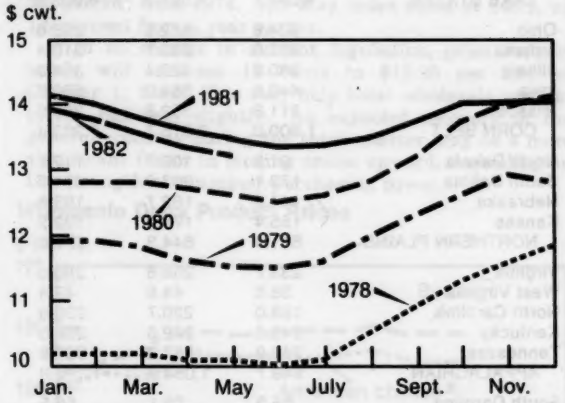
April was $13.45 per cwt, compared with $13.79 in April 1981. May all-milk prices were $13.30 per cwt, down 1.5 percent from a year earlier. Adjusted for fat test, May 1982 prices were $13.44 per cwt, off 22 cents from a year ago.

For the first half of 1982, all-milk prices are expected to average 1 to 2 percent below a year earlier. Assuming no change in current legislation, third and fourth quarter prices are expected to rise modestly, reflecting a scheduled 15 cents per cwt increase in the support price on October 1, a normal seasonal slowdown in production and higher fat tests, and the expected upturn in the general economy. Any change in dairy legislation will alter this forecast.

Milk Prices*



*U.S. average price received by farmers for deliveries to plants and dealers.

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New Dairy Legislation Proposed

At the USDA-sponsored symposium held in Kansas City on March 22-23, Secretary Block received many suggestions to deal with milk production, surplus stock disposal, and dairy product demand.

After evaluating all the proposals submitted, USDA announced an emergency dairy plan on May 5 to deal with the current dairy surplus problem. There are four major parts to the Administration's plan—production adjustments, disposal of the surplus products, product promotion, and a dairy advisory board. Some parts included in this plan would require legislation, other sections can be implemented administratively by USDA. The Administration's bill, the Emergency Dairy Adjustment Act of 1982, has been introduced in Congress.

In addition to the Administration's proposal, several other bills have been introduced in Congress calling for changes in current dairy legislation. The Senate held hearings on May 28, and the House held hearings on June 9. Additional hearings may be held on the various dairy bills.

The proposed (Administration) legislation would amend the dairy provisions of the Agriculture and Food Act of 1981 (Farm Bill) to give the Secretary discretionary authority to set price support levels for milk. If granted the authority, the Secretary noted that the milk price support would remain unchanged from the present level of $13.10 through December 31, 1982. If by January 1, 1983, there is no clear evidence that the milk surplus is declining, the Secretary indicated that he would use the discretionary authority to reduce the price support level. The proposed legislation would also reinstate authority under section 416 of the Agriculture Act of 1949 to permit CCC donation of dairy products overseas. The proposed bill also calls on Congress to mandate the establishment of a Dairy Advisory Board. Drawn from a broad spectrum, Board members would provide guidance to the Secretary on a wide range of dairy issues.

A number of the parts of the emergency dairy plan do not require legislation for implementation. The Secretary has directed the Farmers Home Administration to establish new guidelines for making loans to dairy producers. The guidelines would limit dairy loans to stabilizing on-going enterprises or providing for within-family

Table 5—Milk prices received by farmers

Month	All sold to plants				Manufacturing grade			
	1979	1980	1981	1982	1979	1980	1981	1982
	Dollars per 100 pounds							
January	11.90	12.80	14.10	13.90	10.90	11.70	13.00	13.00
February	11.90	12.80	14.00	13.80	10.80	11.70	12.90	12.80
March	11.80	12.80	13.80	13.60	10.80	11.80	12.90	12.70
April	11.60	12.70	13.60	13.40	10.80	11.80	12.70	12.60
May	11.50	12.60	13.50	13.30	10.80	11.70	12.70	12.50
June	11.50	12.50	13.40		10.70	11.70	12.50	
July	11.60	12.60	13.40		10.80	11.60	12.40	
August	12.00	12.80	13.40		11.10	11.80	12.40	
September	12.30	13.20	13.80		11.40	12.20	12.60	
October	12.60	13.70	14.00		11.60	12.70	12.90	
November	12.90	14.00	14.00		11.70	12.90	13.00	
December	12.80	14.10	14.00		11.70	13.00	13.00	
Average	12.00	13.00	13.80		11.10	12.00	12.70	

transfers. New facilities will only be financed upon determination of need for additional production in an area.

To increase domestic disposition of stocks, the Administration has increased both its cheese and butter donations to needy persons and intends to help States to improve and implement commodity distribution systems. Bonus dairy commodities will continue to be offered to all eligible institutions (the list of institutions eligible for such commodities has been expanded) and USDA is establishing a Private Sector Inventory System, which is designed to increase the use of surplus products by permitting private sector processors to produce endproducts from bonus commodities for discount sale to eligible institutions.

The Department also plans to increase sales of out-of-condition nonfat dry milk for use as animal feed; and to work with the Department of Defense to utilize additional dairy products. USDA will work with the Food and Drug Administration to evaluate the possibility of changing the national fluid milk standards to increase the minimum fat and solids-not-fat content of fluid milk products.

To increase international disposition, the Department will investigate ways to increase humanitarian distributions authorized by P.L. 480. In addition, the Secretary is calling for a special task force to study the casein issue and determine which countries, if any, employ subsidies to produce, process, or export casein and caseinates. The task force will report by January 1, 1983 what actions, if any, can be taken to counter any unfair trade practices. Finally, the Department intends to pursue all avenues that may lead to increased commercial exports of CCC surplus dairy products.

The Department intends to support research on factors affecting the consumption of dairy products. The Department also proposes to support product development research leading to new processed dairy products for both domestic and international markets. Further, the Secretary recommends that the Federal Government purchase milk-enriched bread for its own use; and that Department officials meet with industry representatives to discuss potential joint research projects to increase the use of nonfat dry milk in baked goods.

Cash Receipts

For all of 1981, cash receipts from the combined marketings of milk and cream totaled $18.1 billion, a 9-percent gain over 1980 (table 6). The increase was the result of 5.6-percent higher prices and 3.3-percent larger marketings. Sales of whole milk and cream to plants and dealers contributed 98.1 percent of the cash receipts from marketings, while the rest came from direct sales to consumers.

Cash receipts for the first 3 months of 1982 from milk sales are estimated to have increased 1 percent from 1981. This change is entirely attributable to the larger marketings because farm milk prices were lower.

Wholesale Prices Steady

In mid-June wholesale prices for Grade A butter (Chicago) averaged about $1.47 a pound. The average declined slightly from $1.49 in mid-December until mid-

Table 6—Cash receipts from farm marketings of milk and cream, United States, by production regions, 1979-81[1]

State and region	1979	1980	1981[2]
	Million dollars		
Maine	80.6	91.6	102.4
New Hampshire	41.6	46.8	49.5
Vermont	266.3	301.3	323.7
Massachusetts	67.2	79.7	86.0
Rhode Island	5.9	6.4	6.6
Connecticut	74.2	83.7	90.0
New York	1,226.3	1,404.0	1,505.1
New Jersey	57.9	66.0	69.5
Pennsylvania	966.5	1,164.8	1,282.6
Delaware	15.5	16.8	17.4
Maryland	187.1	205.2	220.6
NORTHEAST	2,989.1	3,466.3	3,753.4
Michigan	565.8	647.5	694.0
Wisconsin	2,505.1	2,770.1	2,968.1
Minnesota	1,026.2	1,173.7	1,306.7
LAKE STATES	4,097.1	4,591.3	4,968.8
Ohio	504.6	552.6	598.6
Indiana	262.6	283.1	310.4
Illinois	280.2	323.4	354.5
Iowa	440.8	504.0	559.3
Missouri	311.8	352.6	380.6
CORN BELT	1,800.0	2,015.7	2,203.4
North Dakota	91.3	106.7	117.1
South Dakota	170.1	203.9	224.3
Nebraska	144.6	162.7	183.6
Kansas	155.4	171.0	192.2
NORTHERN PLAINS	561.4	644.3	717.2
Virginia	233.7	259.6	280.0
West Virginia	38.6	44.6	47.5
North Carolina	188.0	220.7	239.6
Kentucky	246.6	272.6	298.0
Tennessee	242.8	287.3	307.8
APPALACHIAN	949.7	1,084.8	1,172.9
South Carolina	65.3	78.1	86.5
Georgia	169.6	188.4	202.3
Florida	285.7	317.4	347.6
Alabama	75.8	87.0	84.8
SOUTHEAST	596.4	670.9	721.2
Mississippi	99.5	111.6	120.8
Arkansas	85.6	96.1	109.9
Louisiana	130.0	140.6	145.6
DELTA STATES	315.1	348.3	376.3
Oklahoma	127.9	148.6	163.7
Texas	433.6	503.0	540.9
SOUTHERN PLAINS	561.5	651.6	704.6
Montana	32.7	38.4	42.1
Idaho	187.5	233.8	272.9
Wyoming	13.3	15.9	17.2
Colorado	98.6	116.4	134.3
New Mexico	62.3	84.3	101.9
Arizona	110.6	137.6	158.9
Utah	104.7	127.5	144.1
Nevada	22.3	27.2	29.1
MOUNTAIN	632.0	781.1	900.5
Washington	316.5	378.1	413.8
Oregon	124.0	151.5	166.8
California	1,384.5	1,770.3	1,945.6
PACIFIC	1,825.0	2,299.9	2,526.2
Alaska	2.1	2.1	2.5
Hawaii	24.9	27.1	30.3
UNITED STATES	14,354.4	16,583.5	18,077.1

[1]Totals may not add due to rounding. [2]Preliminary.

March, then rose to $1.48 per pound, but has fallen since.

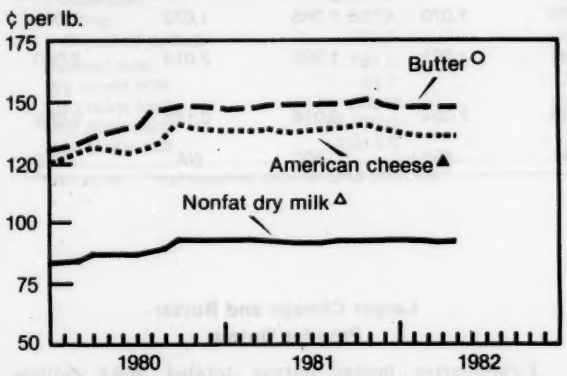
Cheddar cheese wholesale prices (40-lb. blocks, Wisconsin assembling points) were unchanged from late January until late April, at $1.37 per pound. Prices fell one cent a pound in early May and have since remained unchanged. Prices for cheddar barrels rose almost 3 cents per pound in early March to $1.34, held steady until mid-April when they fell to $1.32, and have remained there since.

Nonfat dry milk wholesale prices have remained very steady since late October when the mid-point was 93.4 cents per pound. Prices have varied only twice since that time, falling to 93.1 cents in late January, and then to 92.9 in mid-April.

The steady wholesale prices are attributed to abundant supplies and relatively weak market demand. The wholesale price index reflects this. The April wholesale dairy product price index (reported by the Bureau of Labor Statistics) stood at 248.4 (1967=100), up only 1.1 percent over a year ago. April marked the smallest year-to-year change in the wholesale price index for dairy products since April 1975, when the index actually declined 3.5 percent from 1974. The May index stood at 248.5, up 1.6 percent from a year earlier.

With no change in current legislation, price support levels will increase 15 cents to $13.25 per cwt on October 1, 1982. This may help boost wholesale product prices, but only slightly. An expected recovery in the general economy during the third quarter may be a more significant factor in moving prices upward, depending on the strength of consumer purchasing power.

Wholesale Dairy Product Prices



○ Grade AA Chicago. ▲ High-heat, central-states.
△ 40-lb. block, Wisconsin assembly points.

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Retail Prices—Slight Increases

Retail dairy prices are reflecting the sluggish market demand and abundant seasonal supplies. The retail price index for all dairy products in April stood at 247.5 (1967=100) (table 8). April posted the smallest year-to-year increase (1.6 percent) in the retail price index since 1975. The April dairy index was up only 0.7 percent from January 1982. The retail price index for the year is expected to be up 2 to 3 percent, compared with the 7- and 9-percent increases seen during 1981 and 1980, respectively. In comparison, the April all-food retail price index was up 4 percent from a year ago, and up 1 percent since January. For the year, the all-food index is expected to be up 5 to 7 percent.

The average retail price for a half-gallon of whole milk (reported by BLS) during April was $1.127, up barely 1 percent from a year ago. The April 1981 price was up 9 percent from April 1980. Similarily, retail butter prices registered a modest 3-percent gain from April 1981 to April 1982, compared with a 9.9-percent increase from April 1980 to 1981.

Retail prices of ice cream and yogurt show similar movements. Ice cream retail prices rose 3.2 percent on a year-over-year basis in April. In fact, the retail price for a half-gallon of ice cream has declined slightly from January—1.9 percent. Yogurt retail prices have remained steady since March, and have posted only a 1.4-percent gain since April 1981.

Retail Food and Dairy Product Prices

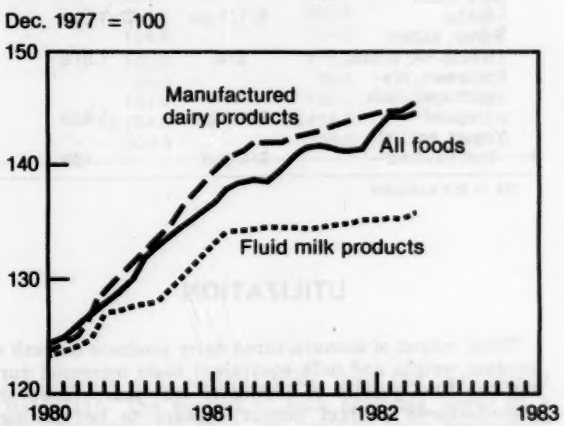

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Table 7—Wholesale dairy product prices and index

Item	Unit	1980	Jan.'81	Apr. '81	1981	Jan. '82	Apr. '82
Butter, A	cents/lb	139.34	147.25	147.25	147.99	147.53	147.35
Butter, AA	cents/lb	140.79	147.75	148.00	148.87	148.00	148.00
Cheese, 40-lb blocks	cents/lb	133.04	139.32	139.16	139.44	138.31	137.38
Nonfat dry milk	cents/lb	88.66	93.83	93.86	93.92	93.59	NA
Wholesale Price Index (all dairy products)	(1967=100)	438.0	467.6	460.3	462.6	464.0	464.0
Fresh whole milk	(1967=100)	183.0	193.6	194.6	194.4	196.5	197.4
Butter	(1967=100)	211.5	223.7	224.4	225.6	225.6	225.9
Cheese	(1967=100)	292.7	309.0	310.9	309.4	312.2	312.3
NFDM	(1967=100)	438.0	467.6	460.3	463.6	464.0	464.0

NA = Not available.

Retail price index

Item	Index base	Year 1980	April 1981	Year 1981	April 1982
Consumer Price Index[1]	1967=100	246.8	266.8	272.3	284.3
All food	1967=100	254.6	272.9	274.6	283.9
All dairy products[1]	1967=100	227.4	243.5	243.6	247.5
Fluid milk and cream	12/77=100	127.0	134.6	134.5	135.9
Whole milk	1967=100	208.4	220.4	220.2	222.2
Other	12/77=100	126.3	134.5	134.5	136.2
Manufactured dairy products	12/77=100	130.6	142.0	142.2	145.6
Butter	1967=100	228.0	244.3	245.5	250.1
Cheese	12/77=100	129.5	140.6	140.3	143.7
Frozen desserts	12/77=100	132.8	146.7	147.3	150.9
Other	12/77=100	126.4	135.7	136.3	139.9

[1]For all urban consumers starting January 1978.

Table 8—Retail dairy product prices

Item	Unit	Avg. 1980	Jan. 1981	April 1981	Avg. 1981	Jan. 1982	April 1982
Milk, fresh whole, fortified	$/1/2 gal	1.049	1.104	1.116	1.117	1.134	1.127
Milk, fresh skim	$/1/2 gal	.921	.954	.974	.976	.988	.983
Milk, fresh lowfat	$/1/2 gal	1.019	1.070	1.070	1.065	1.072	1.065
Butter, salted Grade AA, sticks	$/lb	1.878	1.992	1.991	1.993	2.019	2.050
Ice cream, pre-packaged, bulk, regular	$/1/2 gal	1.823	1.938	2.024	2.016	2.128	2.089
Yogurt, natural fruit flavored	$/1/2 pt	.469	.491	.492	.500	NA	.499

NA = Not available.

UTILIZATION

Total output of manufactured dairy products on both a product weight and milk-equivalent basis increased during the first quarter of 1982 over last year. However, manufactured product output appears to be slowing. First quarter output of butter, nonfat dry milk, and American and other cheese increased at substantially lower rates than in first-quarter 1981. While manufactured output gains show signs of moderating, commercial disappearance and per capita consumption appear to be increasing. First-quarter 1982 commercial use of milk in all products was up 1.7 percent from last year. In addition, given larger USDA donations—including the special butter and cheese donations to needy persons—per capita dairy consumption this year is expected to show some improvement over 1981.

Commercial holdings of dairy products, on a milk-equivalent basis, were smaller at the beginning of the second quarter of 1982 than a year ago. Government holdings have continued to increase, but at lower rates. Government net purchases of butter and cheese during April-May were near year-earlier levels and net purchases of nonfat dry milk were larger.

Larger Cheese and Butter-Powder Output

First-quarter butter output totaled 368.6 million pounds, up almost 6 percent from first-quarter 1981 (table 10). Although butter production declined 4 percent from January to March, production in March was still 5.7 percent greater than a year ago. The quarterly increase reflects the abundant milk supply available for manufacturing. Like butter, production of nonfat dry milk during first-quarter 1982 also posted a gain—13 percent over January-March 1981. However, March production of nonfat dry milk, at 125.3 million pounds, was 20 percent above January's production of 104 million pounds.

Total cheese output showed the smallest gain on a quarterly comparison basis. First-quarter American cheese output was up 3.3 percent from last year, while all other cheese output was up a modest 1 percent. Cheese production in March increased from January; American cheese was up 6.3 percent; all other cheese output increased 12 percent. But production increased only slightly from a year ago; 3.4 and 2.3 percent for American and all other cheese, respectively.

Table 9—Wisconsin out-of-state milk shipments

Month	1980		1981		1982[1]	
	Loads	Volume	Loads	Volume	Loads	Volume
	Number	*Thousand pounds*	*Number*	*Thousand pounds*	*Number*	*Thousand pounds*
January	156	7,332	4	188	57	2,679
February	70	3,290	7	329	31	1,457
March	20	940	2	94	20	940
April	0	0	0	0	7	329
May	0	0	0	0	15	705
June	0	0	0	0		
July	119	5,593	48	2,256		
August	146	6,862	41	1,927		
September	190	8,930	118	5,546		
October	67	3,149	25	1,175		
November	8	376	40	1,880		
December	6	282	23	1,081		
Total	782	36,754	308	14,476		

[1]Changes in Marketing practices in the Chicago Market and adjacent Federal Order Markets may affect the comparability of this data.

Table 10—Production of selected manufactured dairy products

Item	Year 1981	Change from 1980	Jan.-March 1981	Jan.-March 1982[1]	Change
	Million pounds	*Percent*	*Million pounds*		*Percent*
Butter	1,228.2	+7.2	347.0	368.6	+6.2
Cheese					
American	2,608.5	+9.8	638.1	655.6	+2.7
Other	1,620.6	+0.7	384.7	393.6	+2.3
Creamed cottage	773.3	−6.2	194.6	184.0	−5.7
Canned milk	757.9	+4.6	169.6	173.3	+2.1
Dry whole milk	92.7	+12.1	20.5	26.6	+30.0
Ice cream (gal)	832.2	+0.3	181.4	186.0	+2.5
Milk equivalent[2]	77,788.0	+6.1	18,784.0	19,414.0	+3.4
Nonfat dry milk	1,314.3	+13.2	304.5	336.6	+10.6

[1]Preliminary. [2]Total reported manufactured products.

Evaporated and condensed milk output registered production gains of 1.4 percent on a quarter-over-quarter basis. From January to March, 1982, production of these items increased almost 6 percent.

Milk used to make manufactured dairy products during the first quarter of 1982 was 3.4 percent greater than first quarter 1981, totaling 19.4 billion pounds, compared with 18.8 billion pounds last year. On a milk-equivalent basis, butter output accounted for most of the increase. Butter production used 7.2 billion pounds of milk, 400 million pounds more than in first quarter 1981. Meanwhile, total cheese output used about 200 million pounds more milk than first quarter 1981.

1981 Milk Manufacturing—A Record

Milk used in manufacturing during 1981 totaled 77.8 billion pounds (milk-equivalent, fat-solids-basis)—4.5 billion pounds (6.1 percent) more than the 1980 record (table 11). The amount of milk available (used) on a fat-solids-basis for fluid use declined from year-earlier levels. The 50.2 billion pounds of milk available (used) for fluid products in 1981 equaled 37.8 percent of total supplies, down from 39.5 percent in 1980. Butter output in 1981 claimed 7.5 percent more milk than in 1980, using 24.5 billion pounds. Like butter, cheese claimed 7.5 percent more milk for manufacturing than in 1980. Approximately 36.5 billion pounds of milk were used to make cheese in 1981. American cheese required 26.2 billion pounds of milk, up 10.3 percent from 1980; and other-than-American cheese used 10.3 billion pounds, up 1.1 percent. Canned milk claimed 1.7 billion pounds, on a milk-equivalent basis, up 4.7 percent from 1980. Production of dry whole milk increased 13 percent, from 607 million pounds of milk in 1980 to 686 million. Milk-equivalent output of ice cream and other frozen dairy products in 1981 totaled nearly 12.0 billion pounds, up just 0.4 percent from 1980's 11.9 billion.

Table 11—Use of U.S. market supply of milk, 1970-81

Item	1970	1975	1976	1977	1978	1979	1980	1981
	Billion pounds (milk equivalent)							
Fluid use	52.0	51.1	51.5	51.4	51.2	51.4	50.9	50.2
Butter[1]	23.9	19.9	19.4	21.9	19.7	19.4	22.8	24.5
Cheese								
American	14.2	16.5	20.6	20.5	20.7	21.9	23.8	26.2
Other	5.3	7.4	8.2	8.4	9.2	9.7	10.2	10.3
Creamed cottage cheese	1.2	1.0	1.0	1.1	1.1	1.0	1.0	1.0
Evap. & condensed Milk[2]	3.3	2.7	2.5	2.4	2.3	2.3	2.1	2.3
Dry whole milk	0.5	0.5	0.6	0.5	0.5	0.6	0.6	0.7
Frozen dairy Products, net	11.0	11.9	11.6	11.7	11.7	11.7	11.9	12.0
Other factory products	0.5	0.7	0.7	0.7	0.7	0.9	0.9	0.8
Total factory products[3]	60.0	60.5	64.7	67.1	65.9	67.5	73.3	77.8
Miscellaneous[4]	1.5	0.9	1.3	1.6	2.1	2.3	2.2	2.5
Market supply of milk	117.5	115.6	120.4	122.9	121.9	123.7	128.7	132.8

[1]Excludes milk equivalent of whey cream, includes milk equivalent of residual cream from fluid and other uses. [2]Canned and bulk. [3]May not add due to rounding. [4]Minor miscellaneous uses and any inaccuracies of independently determined use items. [5]Milk marketed by farmers, net imports of ingredients such as frozen cream, butterfat-sugar mixtures and ice cream", and net change in storage cream. [6]Preliminary.

Commercial Use Improves

Commercial disappearance of milk and dairy products posted a moderate 1.7-percent increase from first quarter 1981 to first quarter 1982 (table 12). Although less than expected, this increase was a substantial improvement over the 4-percent decrease registered from first quarter 1980 to 1981. With retail prices of milk and dairy products only slightly higher than year-earlier levels while other food prices posted much larger gains, commercial use was expected to improve substanially. However, the general economy (high unemployment and declining disposable incomes) likely held back the gain in use.

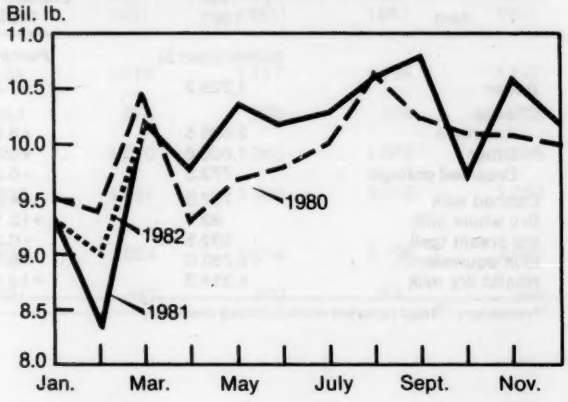
Looking at first-quarter commercial disappearance of the products, butter sales in 1982 improved 9.8 percent over 1981; American cheese was up 2.4 percent; and other cheese was up 3.3 percent (table 13). Meanwhile, Federal order fluid milk sales dropped 1.2 percent, while canned milk and nonfat dry milk were down 5.5 and 3.1 percent, respectively. With retail prices expected to be up less than other food prices and assuming a second-half pick-up in demand, commercial use of milk and dairy products on a milk-equivalent basis is expected to continue improving through 1982. For the year, use should total around 2 percent more than 1981.

Dairy sales

Item	1981	1982	Change
	Million pounds		
Total milk[1]	27,870.0	28,335.0	+1.7
Manufactured products:			
American cheese	517.4	529.9	+2.4
Other cheese	433.7	447.9	+3.3
Cottage cheese[2]	194.6	184.0	−5.7
Butter	190.0	208.7	+9.8
Ice cream	181.4	186.0	+2.5
Ice milk	59.3	55.8	−6.3
Canned milk	179.1	170.1	−5.0
Nonfat dry milk	97.4	94.4	−3.1
Fluid products[3]			
Whole milk	4,919.0	4,779.0	−2.7
Skim and lowfat milk	3,896.0	3,919.0	+0.8

[1]On a milk equivalent, fat-solids-basis. [2]Creamed and low-fat. [3]Based on Federal order data, percent change adjusted for calendar composition and seasonality.

Commercial Disappearance of Milk in All Products*



*Milk equivalent.

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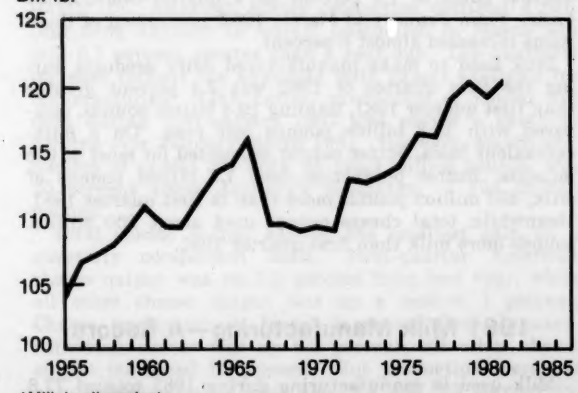
Total Commercial Disappearance*



*Milk in all products.

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Table 12—Commercial disappearance: total milk, annual and quarters, 1980-82[1]

	1980					1981					1982[2]
	Quarters				Year	Quarters				Year	Quarters
	I	II	III	IV		I	II	III	IV		I
	Billion pounds										
Production	31.2	34.0	32.2	31.0	128.4	32.3	35.1	33.1	32.0	132.6	33.0
Farm use	.6	.6	.6	.6	2.3	.6	.6	.6	.6	2.2	.5
Marketings	30.6	33.4	31.6	30.4	126.1	31.7	34.6	32.5	31.4	130.4	32.5
Beginning Commercial stocks	5.4	5.6	6.3	6.1	5.4	5.8	5.9	5.9	5.3	5.8	5.4
Imports	.4	.4	.5	.9	2.1	.4	.5	.6	.9	2.3	.4
Total supply	36.4	39.4	38.4	37.4	133.6	37.9	40.9	39.0	37.6	138.5	38.3
Ending Commercial stocks	5.6	6.3	6.1	5.8	5.8	6.0	5.9	5.3	5.4	5.4	5.3
Net Removals	1.5	4.4	1.5	1.4	8.8	4.3	4.8	2.1	1.6	12.9	4.7
Commercial Disappearance (actual)	29.4	28.7	30.8	30.2	119.2	27.6	30.2	31.6	30.5	120.2	28.3
Percent change[3]	[4]+0.6	−5.0	+0.1	−0.5	−0.9	[4]−5.0	+5.1	+2.6	+1.0	+0.9	+1.7

[1]Milk equivalent, fat solids basis. Totals may not add due to rounding. [2]Preliminary. [3]From year earlier, using unrounded data. [4]On a daily average basis.

Table 13—Commercial disappearance: selected dairy products, 1970-82[1]

Year	Butter[2]	Cheese		Nonfat dry milk	Canned milk	Frozen products[4]
		American[3]	Other			
		Million pounds				*Million gallons*
1970	898.2	1,398.0	909.1	983.2	1,213.8	1,097.3
1971	847.1	1,454.8	987.0	931.8	1,186.9	1,102.4
1972	885.4	1,595.7	1,127.8	919.2	1,102.6	1,108.6
1973	855.6	1,677.1	1,210.2	1,110.1	1,056.7	1,118.6
1974	929.9	1,780.6	1,276.5	809.9	999.4	1,128.0
1975	951.0	1,717.1	1,331.9	697.0	924.0	1,183.9
1976	919.0	1,920.9	1,458.0	719.2	898.9	1,154.0
1977	859.8	1,958.8	1,512.3	682.2	775.4	1,167.6
1978	903.5	2,064.7	1,655.5	658.4	776.0	1,173.5
1979	895.0	2,113.0	1,730.6	603.0	773.6	1,152.1
1980	878.9	2,023.4	1,828.1	539.8	732.6	1,168.4
1981-1st. Qtr.	190.0	517.4	433.7	97.4	179.1	249.8
2nd.	215.3	503.3	444.9	84.2	158.4	326.7
3rd.	228.1	526.3	455.6	159.1	168.5	348.0
4th.	244.4	544.0	525.8	114.8	237.9	244.8
Total	877.8	2,091.0	1,859.9	455.5	743.9	1,169.4
1982-1st[5]	208.7	529.9	447.9	94.4	170.1	251.1

[1]Total may not add due to rounding. [2]Imports include butter equivalent of butteroil. [3]Imports include colby cheese; stocks do not include processed cheese. [4]Excludes Mellorine. [5]Preliminary.

Per Capita Use Increasing

Per capita consumption of all dairy products (milk-equivalent, fat-solids-basis) is expected to improve somewhat over 1981. CCC donations of butter and cheese to needy persons will provide a major boost. In addition, the expected sales increase of 2 percent—greater than the population increase—indicates greater per capita use.

Fluid Product Sales

Sales of fluid milk, cream, and specialty products on a product weight basis totaled 55.4 billion pounds in 1981, down about 400 million from 1980 (table 15). This small drop from the flat sales trend that has been underway since 1975, continues the decline in per capita sales. Sales per person during 1981 were 243 pounds, down 4 pounds (1.6 percent) from 1980. A small increase in sales of cream and specialty items only partially offset a decline in beverage milk sales (table 16). The trend toward increased consumption of lowfat products continued in 1981 as sales per capita of lower fat items increased nearly 2 pounds while whole milk and cream products fell about 5 pounds.

Commercial Dairy Product Stocks Smaller

Commercial holdings of dairy products (milk-equivalent, fat-solids-basis) were smaller at the end of first-quarter 1982 than a year earlier (table 18). At the beginning of April 1982, commercial holdings were 5.3 billion pounds, down from 5.9 billion the year before. On a milkfat basis, commercial holdings at the beginning of April 1982 were 186.1 million pounds, 11.2 percent less than April 1981. Likewise, commercial holdings of solids not-fat on April 1, 1982, were 241.3 million pounds, down 5.6 percent from April 1981.

Commercial stocks of butter also dropped from year-earlier levels; April 1 holdings were 18 percent below a year ago. American cheese in commercial storage was 10 percent less; and other cheese stocks fell almost 16 percent from April 1, 1981 to April 1, 1982. Nonfat dry milk stores posted the smallest decrease; commercial stocks this April were only 2.2 percent below a year ago.

On the other hand, Government holdings have continued to increase, although the rate of increase appears to be moderating. March 1 stocks of all dairy products (milk-equivalent fat-solids-basis) were unchanged from February 1, at 12.6 billion pounds. Government stocks edged up slightly to 12.7 billion pounds on April 1. However, April 1 stocks continued large relative to a year ago when they totaled 9.5 billion pounds.

On April 1, 1982, Government stocks of butter totaled just over 400 million pounds, a 13-percent increase from last year; American cheese (natural and processed) at

Dairy product stocks, April 1

Item	1980	1981	1982
		Million pounds	
Commercial:			
Butter	41.9	53.0	44.9
American cheese	384.6	410.3	372.6
Other cheese	107.4	89.6	77.6
Nonfat dry milk	83.7	96.5	94.4
Milkfat	198.7	207.0	186.1
Solids-not-fat	247.8	254.8	241.3
Milk equivalent	5,599.7	5,867.8	5,286.5
Government:			
Butter	175.3	354.4	400.4
American cheese	5.6	237.1	448.8
Nonfat dry milk	361.6	536.1	881.2
Milkfat	142.9	361.7	466.8
Solids-not-fat	349.5	588.9	986.1
Milk equivalent	3,675.9	9,489.9	12,703.7

Changes in Fluid Product Sales Per Capita, 1976 to 1981

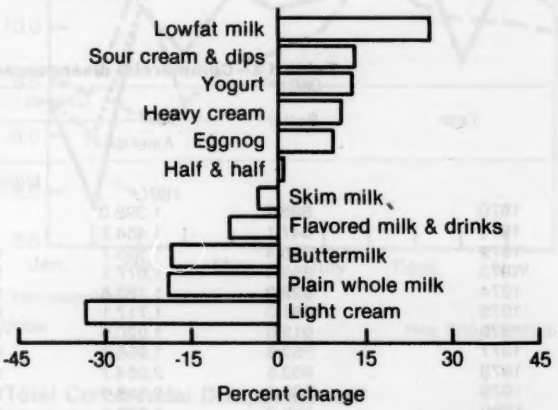

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Table 14—Per capita U.S. civilian consumption of selected dairy products, 1975-81

Item	1975	1976	1977	1978	1979	1980	1981[2]
				pounds			
Butter	4.7	4.3	4.3	4.4	4.5	4.5	4.3
Cheese:							
American	8.2	9.0	9.3	9.6	9.6	9.6	10.0
Other	6.1	6.7	6.8	7.4	7.6	8.0	8.0
Cottage cheese	4.7	4.7	4.7	4.7	4.5	4.5	4.3
Evaporated and condensed milk	5.2	4.9	4.3	4.1	4.1	3.8	3.9
Dry whole	0.1	0.2	0.2	0.3	0.3	0.3	0.4
Ice cream	18.5	17.9	17.5	17.4	17.1	17.3	17.2
Nonfat dry milk	3.3	3.5	3.3	3.1	3.3	3.0	2.7
Fluid products[1]	243.4	242.2	238.7	234.7	232.4	227.3	223.2

[1]Milk equivalent (fat-solids-basis) of whole milk, cream items, lowfat and skim items. [2]Preliminary.

Table 15--Milk and dairy product sales (domestic disappearance, commercial sources), total and per capita, United States, 1976-81 1/

Year	Fluid milk products sales					Butter	Cheese			Evaporated and condensed	
	Fluid whole milk	Cream 2/	Low-fat milk 3/	Total product weight	Whole milk equivalent 4/		Whole and part skim milk 5/ American	Whole and part skim milk 5/ Other	Cottage cheese 6/	Whole milk	Skimmed milk
	Total										
	Million pounds										
1976	37,061	1,189	17,710	55,960	51,502	932	1,912	1,446	1,025	1,046	783
1977	35,638	1,199	18,988	55,825	51,380	860	1,912	1,493	1,032	915	854
1978	34,938	1,214	19,813	55,965	51,175	894	2,050	1,627	1,039	885	772
1979	33,937	1,251	20,647	55,835	51,386	823	2,118	1,702	1,013	896	749
1980	32,754	1,276	21,743	55,773	50,855	912	2,045	1,801	1,016	840	747
1981 7/	31,685	1,316	22,443	55,444	50,246	898	2,157	1,831	980	869	740
	Per capita 8/										
	Pounds										
1976	172	5.5	82.2	260	239	4.3	8.8	6.6	4.7	4.8	3.6
1977	164	5.5	87.1	256	236	3.9	8.7	6.8	4.7	4.2	3.9
1978	159	5.5	89.9	254	232	4.0	9.2	7.3	4.7	4.0	3.5
1979	152	5.6	92.5	250	230	4.1	9.4	7.6	4.5	4.0	3.3
1980	145	5.7	96.3	247	225	4.0	9.0	7.9	4.5	3.7	3.3
1981 7/	139	5.8	98.4	243	221	3.9	9.4	8.0	4.3	3.8	3.2

Year	Frozen products				Dry Products				
	Ice cream	Ice milk	Sherbet	Other	Mello-rine	Whole milk	Nonfat dry milk	Butter-milk	Whey 9/
	Total								
	Million pounds								
1976	3,928	1,574	322	64	112	33	743	38	527
1977	3,887	1,694	324	72	90	34	698	59	530
1978	3,914	1,705	312	77	78	56	640	50	543
1979	3,893	1,632	288	72	75	66	692	42	597
1980	3,984	1,609	284	62	63	69	669	42	604
1981 7/	3,993	1,598	289	60	60	84	679	45	620
	Per capita 8/								
	Pounds								
1976	18.1	7.2	1.5	0.3	0.5	0.2	3.4	0.2	2.4
1977	17.7	7.7	1.5	.3	.4	.2	3.2	.3	2.4
1978	17.6	7.7	1.4	.4	.4	.3	2.9	.2	2.4
1979	17.3	7.3	1.3	.3	.3	.3	3.1	.2	2.7
1980	17.5	7.1	1.3	.3	.3	.3	2.9	.2	2.7
1981 7/	17.4	7.0	1.3	.3	.3	.4	3.0	.2	2.7

1/ Excludes milk used on farms where produced and distribution from USDA supplies; includes sales to the Armed Services for use in the United States. 2/ Includes milk and cream mixtures. 3/ Includes skim milk, buttermilk, flavored milk drinks, and yogurt. 4/ Fat solids basis. 5/ Excludes cottage cheese. 6/ Includes full-skim American. 7/ Preliminary or estimated. 8/ Based on resident population, except fluid milk product sales--based on estimated population using fluid products from purchased sources. 9/ Includes modified whey products starting 1975.

Table 16--Sales of selected dairy products, total and per capita, 1975-81

Item	1975	1976	1977	1978	1979	1980 1/	1981 2/
				Million pounds			
Beverages:							
Plain Whole Milk	36,924	35,669	34,300	33,634	32,780	31,745	30,806
Lowfat Milk	11,703	12,622	13,573	14,458	15,237	16,203	16,900
Skim Milk	2,529	2,555	2,639	2,576	2,631	2,673	2,621
Flavored Milk, Drinks	2,123	2,364	2,525	2,484	2,385	2,313	2,295
Buttermilk	1,032	1,035	1,016	996	950	941	893
Total 3/	54,367	54,290	54,093	54,185	54,017	53,908	53,546
Cream and Specialty Products:							
Half and Half	525	538	541	544	550	562	576
Light cream	89	77	68	71	67	55	55
Heavy cream	121	131	128	124	140	149	156
Sour cream, dips	358	355	367	380	399	415	429
Yogurt	445	482	534	565	567	589	582
Eggnog	82	87	94	95	94	95	100
Total 4/	1,621	1,670	1,732	1,780	1,817	1,865	1,898
				Pounds per capita 4/			
Plain whole milk	173.19	165.52	157.41	152.61	146.93	140.59	135.11
Lowfat milk	54.89	58.57	62.29	65.60	68.30	71.76	74.12
Skim milk	11.86	11.86	12.11	11.69	11.79	11.84	11.50
Flavored milk, drinks	9.96	10.97	11.59	11.27	10.69	10.24	10.07
Buttermilk	4.84	4.80	4.66	4.52	4.26	4.17	3.92
Half and Half	2.46	2.50	2.48	2.47	2.47	2.49	2.53
Light cream	.42	.36	.31	.32	.30	.24	.24
Heavy cream	.57	.61	.59	.56	.63	.66	.68
Sour cream, dips	1.68	1.65	1.68	1.72	1.79	1.84	1.88
Yogurt	2.09	2.24	2.45	2.57	2.54	2.61	2.55
Eggnog	.38	.40	.43	.43	.42	.42	.44

1/ Revised. 2/ Preliminary. 3/ Total includes filled and imitation milk. 4/ Total may not add due to rounding. Based on estimated population using fluid products from purchased sources, revised for 1980 Census.

Table 17—Sales of individual fuild products as percent of average daily fluid milk sales, all Federal Order Markets, 1970, 1975-81[1]

Fluid items	1970	1975	1976	1977	1978	1979	1980	1981
					Percent			
Whole milk[2]	76.1	65.6	63.4	61.1	59.8	58.4	56.7	55.6
Flavored whole milk[3]	2.5	2.6	2.7	2.7	2.5	2.3	2.0	1.7
Total whole milk	78.6	68.2	66.1	63.8	62.3	60.7	58.7	57.3
Lowfat Milk[4]	12.1	21.4	22.8	24.4	26.0	27.5	29.1	30.5
Plain	3.3	11.6	14.3	15.8	18.0	20.7	22.8	24.6
Solids added	8.8	9.8	8.5	8.6	8.0	6.8	6.3	5.9
Skim milk	4.3	4.2	4.3	4.5	4.4	4.5	4.6	4.5
Plain	1.1	1.7	1.9	2.1	2.3	2.7	2.9	3.1
Solids added	3.2	2.5	2.4	2.4	2.1	1.8	1.7	1.4
Buttermilk	1.9	1.8	1.8	1.8	1.7	1.6	1.6	1.6
Yogurt	.3	.7	.8	1.0	1.0	.9	.9	1.0
Flavored milk drinks	.8	1.5	2.0	2.4	2.4	2.5	2.7	2.7
Total skim and lowfat items	19.4	29.6	31.7	34.1	35.5	37.0	38.9	40.3
Milk and cream mixtures	1.1	.9	.9	1.0	.9	1.0	1.0	1.0
Light cream	.2	.2	.2	.1	.2	.1.	.1	.1
Heavy cream	.2	.2	.2	.2	.2	.2	.3	.3
Sour cream	.4	.6	.6	.7	.7	.7	.7	.7
Total cream items	.8	1.0	1.0	1.0	1.1	1.0	1.1	1.1
Eggnog	.2	.2	.2	.2	.2	.2	.2	.2
Total fluid milk and cream[5]	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[1]Total packaged disposition in and out of the marketing area, by regulated handlers. [2]Includes whole milk equivalent of small quantity of concentrated milk. [3]Includes small amount of flavored milk drinks. [4]Includes 1 percent lowfat milk. [5]Totals may not add due to rounding.

Table 18—U.S. Dairy product stocks, annual and quarters, 1975-81

	Commercial						Government			
	Butter	American cheese	Other cheese	Canned milk	Nonfat Dry milk	Milk equivalent[3]	Butter[1]	American cheese[2]	Nonfat dry milk	Milk equivalent[3]
						Million pounds				
1975	5.8	305.7	60.8	58.6	47.1	3,719	5.0	2.0	421.8	124
1976	28.0	409.8	67.1	70.7	98.8	5,299	19.1	1.6	386.6	410
1977	34.2	361.5	64.0	75.2	60.7	4,916	150.7	60.5	617.2	3,710
1978	15.2	349.1	78.4	70.3	40.1	4,475	191.8	29.7	545.0	4,254
1979-1st	32.1	359.7	85.6	49.6	50.5	4,935	177.9	8.1	472.8	3,754
2nd	55.2	428.9	97.3	117.1	128.3	6,351	204.9	3.3	410.0	4,263
3rd	54.1	454.0	94.4	129.5	96.0	6,563	166.4	2.9	453.6	3,464
4th	25.2	403.7	105.6	77.0	92.6	5,419	152.6	2.8	392.7	3,180
1980-1st	41.9	384.6	107.4	76.5	83.7	5,600	175.3	5.6	361.6	3,676
2nd	46.5	433.3	110.6	116.3	137.4	6,283	249.4	59.2	411.0	5,737
3rd	43.7	422.7	112.4	120.4	76.2	6,116	259.3	143.0	523.2	6,768
4th	36.5	422.8	99.3	53.0	85.0	5,752	268.2	168.6	501.7	7,207
1981-1st[4]	53.0	410.3	89.6	40.5	96.5	5,868	354.4	237.1	536.1	9,490
2nd	40.9	425.4	100.8	77.6	116.3	5,921	466.6	402.5	616.8	13,613
3rd	31.9	374.5	95.7	102.1	87.2	5,255	457.6	511.9	721.8	14,558
4th	47.3	373.8	86.6	46.8	86.7	5,398	381.9	515.4	803.0	12,980

[1]Includes butter equivalent of butteroil. [2]Includes processed cheese held by USDA. [3]Includes manufactured products for which current monthly series are available (excludes nonfat dry milk). [4]Preliminary.

Table 19--Milk solids in all dairy products: Production and disposition, 1970-81

Year	Production 1/	Sold by farmers	Civilian disposition					
			Consumed on farms where produced 2/	National School Lunch and Special Milk Programs	USDA donations 3/	Other	Total	Per capita
	Million pounds							Pounds
	Milkfat							
1970	4,284	4,137	80	113	157	3,800	4,150	20.6
1971	4,344	4,207	77	113	169	3,815	4,174	20.4
1972	4,410	4,280	70	111	149	3,923	4,253	20.5
1973	4,225	4,102	65	109	136	3,925	4,235	20.2
1974	4,238	4,121	60	108	54	3,963	4,185	19.8
1975	4,240	4,127	55	107	84	3,995	4,241	19.8
1976	4,402	4,293	51	106	17	4,105	4,279	19.8
1977	4,481	4,378	47	104	109	4,054	4,314	19.8
1978	4,455	4,357	43	103	85	4,181	4,412	20.0
1979	4,518	4,428	38	102	88	4,255	4,483	20.1
1980 4/	4,692	4,607	34	98	5/ 133	4,238	4,503	19.9
1981 4/	4,841	4,876	33	128	5/ 123	4,252	4,536	19.9
	Milk solids-not-fat							
1970	10,063	9,626	189	298	153	7,381	8,021	39.7
1971	10,197	9,797	182	300	167	7,485	8,135	39.7
1972	10,334	9,967	165	302	133	7,573	8,173	39.4
1973	9,932	9,592	152	301	69	7,764	8,286	39.5
1974	9,940	9,633	141	301	62	7,506	8,010	37.9
1975	9,936	9,649	129	301	62	7,531	8,023	37.5
1976	10,335	10,063	120	301	32	7,791	8,244	38.2
1977	10,548	10,279	110	301	71	7,736	8,218	37.7
1978	10,458	10,208	100	301	73	7,757	8,231	37.3
1979	10,613	10,401	89	301	65	7,844	8,299	37.2
1980 4/	11,032	10,831	81	301	5/ 90	7,786	8,258	36.6
1981 4/	11,393	11,202	78	301	5/ 83	7,818	8,280	36.4

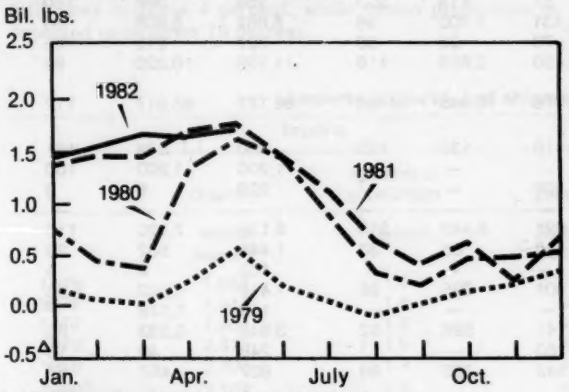
1/ Quantities produced and used, estimated by applying the percentage of milkfat and solids-not-fat in each product to the amount of products. 2/ Fluid milk and cream and farm-churned butter. 3/ Butter, cheese, evaporated milk, nonfat dry milk, and dry whole milk. 4/ Preliminary. 5/ Estimated.

448.8 million pounds was up 89 percent; and nonfat dry milk totaled 881.2 million pounds, up 64 percent.

Although Government net purchases of dairy products (milk equivalent, fat-solids-basis) since October 1981 have increased, compared with the previous marketing year, net purchases appear to be slowing. During January-May 1982, Government net purchases were approximately 7.9 billion pounds, compared with 7.65 billion last year, a gain of 3.3 percent. For the marketing year to date (October-May), net purchases total 9.6 billion pounds, 5.2 percent more than October-May of the previous marketing year.

The Government bought slightly less milk in the form of butter, nonfat dry milk, and cheese in April and May 1982 than last year. Butter net purchases during April and May were 2.2 and 2.6 million pounds less, respectively. Net cheese purchases during April-May were about the same as a year earlier. In April, net purchases of cheese were 69.6 million pounds, compared with last year's 70.1 million. May purchases were up slightly, from 70.2 (1981) to 70.3 million pounds (1982). Nonfat dry milk purchases fell from 97.5 million pounds in May 1981 to 93.6 million in May 1982, following an increase in April.

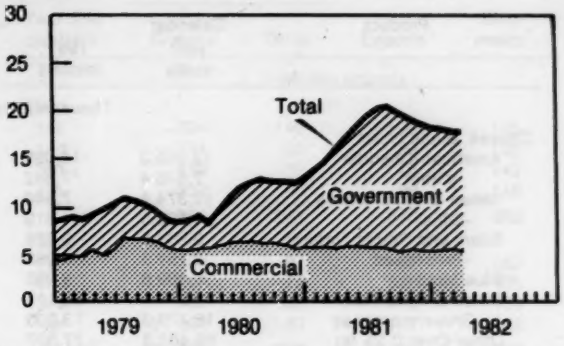
USDA Dairy Product Purchases*



*Net removals, milk equivalent, fat-solids basis.
△Negative figures denote domestic sales exceeded purchases.

USDA Neg. ERS 8449-82(6)

Dairy Product Stocks:○ Milk Equivalent Fat Solids Basis, Beginning Jan. 1



○As of first of month. *Milk equivalent, fat-solids basis.

USDA Neg. ERS 8448-82(6)

USDA dairy purchases[1]

Item	January-May		
	1981	1982	Change
	Million pounds		*Percent*
Butter	239.0	254.8	+6.6
American cheese	273.2	267.8	−2.0
Nonfat dry milk	374.6	423.6	+13.1
Evaporated milk	7.3	6.7	−8.2
Milk equivalent	7,650.2	7,923.1	+3.6

[1]Deliveries minus unrestricted sales.

Uncommitted CCC stocks, June 1

Item	1981	1982
	Million pounds	
Butter	411.0	427.6
American cheese	439.0	695.5
Nonfat dry milk	641.2	1,053.0

FOREIGN TRADE AND TRENDS

During January-April, imports on a milk-equivalent, fat-solids-basis were 6 percent larger than a year earlier. During 1981, the U.S. net dairy trade (value of exports minus imports) improved by 30 percent, but was still in deficit. Current prospects point toward a gain in global milk production of less than 1 percent in 1982. World cheese production may be up 3 percent while butter output increases less than 1 percent.

Imports Up Slightly

During January-April, U.S. imports on a milk equivalent, fat-solids-basis, totaled 624 million pounds, 6 percent more than a year earlier (table 20). Quota imports were up 16 percent, while non-quota types were down about 8 percent. Of the quota cheese imports, Swiss in total (Emmenthaler and Gruyere process) was up about a tenth, while other-quota cheese was nearly double year-earlier levels. Meanwhile, American cheese types were down more than half, while Italian cheese imports were down only slightly.

Imports of most other dairy products were lower. Of those subject to quota, all were even with or below year-earlier levels except butter, frozen cream, and condensed milk. Of imports not subject to quota, lactose was down nearly half, while casein was 3 percent below year-ago levels.

The value of U.S. dairy product exports rose to $253 million in 1981, an increase of almost 150 percent from a year earlier. The larger value was the result of somewhat higher prices but primarily reflects increased sales and shipments of nonfat dry milk, cheese, and butter. The value of U.S. imports was $523 million in 1981, a gain of 7.5 percent. Thus, the U.S. net dairy trade deficit value (exports minus imports) in 1981 was $270 million, a 30-percent improvement from 1980's deficit of $385 million.

Table 20—Dairy Products: U.S. imports, quota and non-quota, total 1981, and January-April, 1981-82[1]

Product	Calendar year quota	1981 imports	April			Cumulative, January-April		
			1981	1982	1982 as a % of 1980	1981	1982	1982 as a % of 1981
		Thousand pounds			*Percent*	*Thousand pounds*		*Percent*
Cheese, quota types								
American-Cheddar	12,205.3	12,099	1,745	589	34	3,934	1,678	43
-Other	7,545.4	[4]7,842	243	195	80	1,102	290	26
Italian-Original loaves	12,374.4	7,840	516	617	120	2,199	2,073	94
-Other	1,550.0	619	113	66	58	147	191	130
Edam and Gouda-Natural	9,208.6	9,029	953	483	51	3,364	3,219	96
-Processed	3,151.3	3,088	137	79	58	412	443	108
Blue Mold	5,469.6	5,095	295	415	141	1,110	1,298	117
Swiss-Emmenthaler	70,278.1	66,116	6,015	5,048	84	16,834	19,260	114
-Gruyere process	16,479.0	13,300	852	878	103	3,068	2,855	93
Other-Over 0.5% fat	89,466.8	77,337	4,808	3,989	83	11,564	17,392	150
-Under 0.5% fat	12,621.1	10,110	1,310	1,601	122	1,882	4,300	228
Total	240,349.6	212,475	16,986	13,962	82	45,618	52,998	116
Cheese, non-quota types								
Other cow's milk cheeses[2]		12,463	939	1,330	142	3,711	3,816	103
Miscellaneous[3]		894	51	119	233	258	386	150
Pecorino		20,615	1,431	1,400	98	6,862	5,905	86
Roquefort		1,214	70	35	50	327	213	65
Total		35,817	2,490	2,883	116	11,159	10,320	92
Total Cheese, Quota and Non-quota	240,349.6	247,661	19,476	16,845	86	56,777	63,317	112
Other quota products								
Butter	707.0	[4]1,827	110	135	123	400	524	131
Butteroil	1,200.0	1,200	—	—	—	1,200	1,200	100
Butterfat mixtures	2,580.0	1,204	228	—	[5]	228	6	3
Ice Cream	3,377.3	0	—	—	—	—	—	—
Frozen cream	12,540.0	12,413	2,021	6,442	319	6,138	7,120	116
Nonfat dry milk	1,807.0	[4]2,751	198	66	33	1,449	562	39
Dried buttermilk and whey	496.0	383	—	—	—	188	9	5
Evaporated milk	1,312.0	[4]4,954	401	395	98	1,410	1,360	96
Condensed milk	4,079.0	386	—	—	—	119	1,578	[6]
Chocolate crumb-Regular	21,409.2	11,691	1,141	596	52	3,940	3,333	85
-Lowfat	4,680.0	1,026	160	—	[5]	248	40	16
Animal feed with milk solids	16,300.0	15,622	342	295	86	807	457	57
Non-quota products								
Casein		127,823	8,598	9,827	114	46,516	45,190	97
Lactose		2,381	1	29	[6]	503	272	54
Milk equivalent, fat solids basis, total all proucts	2,234,270	[4]2,325,008	186,518	203,726	109	590,231	624,340	106

[1]Preliminary. [2]Primarily soft, ripened cheeses. [3]Gjetost, Bryndza, Gammelost and Noekkelost, and Goya. [4]Probable error in reported data. [5]Less than 1. [6]More than 1,000.

SOURCE: U.S. Department of Commerce, Bureau of the Census.

World Dairy Summary

Current prospects continue to indicate that 1982 global cow's milk production will be up less than 1 percent, but more than double the 1981 gain. Limited feed supplies impacted winter and early spring production in most of Eastern Europe and the Soviet Union, while in France, roughages (particularly corn silage) were in short supply. Weather problems also impacted production and included dry areas reported in Spain and Mexico, the harsh winter in the United States and Canada, and a late spring in much of the Northern Hemisphere. On the positive side, soil moisture supplies are generally favorable for pasture and feed crop growth in most Northern Hemisphere producing countries. Meanwhile, the European Community has raised the milk target price for the current marketing year by 10.5 percent.

World production of cheese (excluding cottage cheese) is expected to expand about 3 percent in 1982 with the United States, the European Community, and New Zealand accounting for most of the gain. Butter production is forecast to increase less than 1 percent. Nonfat dry milk may increase 4 percent, while casein production is expected to be down 10 percent.

U.S. Dairy Trade (milk equivalent)

Year and quarters	Imports		Exports	Shipments[1]
	Cheese	Other		
	Million pounds			
1980				
1st	224	142	108	135
2nd	321	35	88	139
3rd	489	18	75	142
4th	832	46	99	146
Year[2]	1,866	241	370	562
1981				
1st	306	97	85	162
2nd	393	75	528	138
3rd	451	125	706	155
4th	809	67	1,777	131
Year[2]	1,960	365	3,096	586
1982				
1st	359	61	1,558	153

[1]To U.S. territories. [2]May not add due to rounding.

Imports, exports, and shipments of dairy products, 1975-81[1]

Year	Imports		Exports		Shipments[2]	
	Quantity	Percent of production	Quantity	Percent of production	Quantity	Percent of production
	Million pounds	*Percent*	*Million pounds*	*Percent*	*Million pounds*	*Percent*
1975	1,669	1.4	550	.5	496	.4
1976	1,943	1.6	502	.4	520	.4
1977	1,968	1.6	459	.4	527	.4
1978	2,310	1.9	368	.3	602	.5
1979	2,303	1.9	362	.3	620	.5
1980[3]	2,107	1.6	370	.3	562	.4
1981[3]	2,325	1.8	3,096	2.3	586	.4

[1]Milk equivalent, fat-solids-basis. [2]To U.S. territories. [3]Preliminary.

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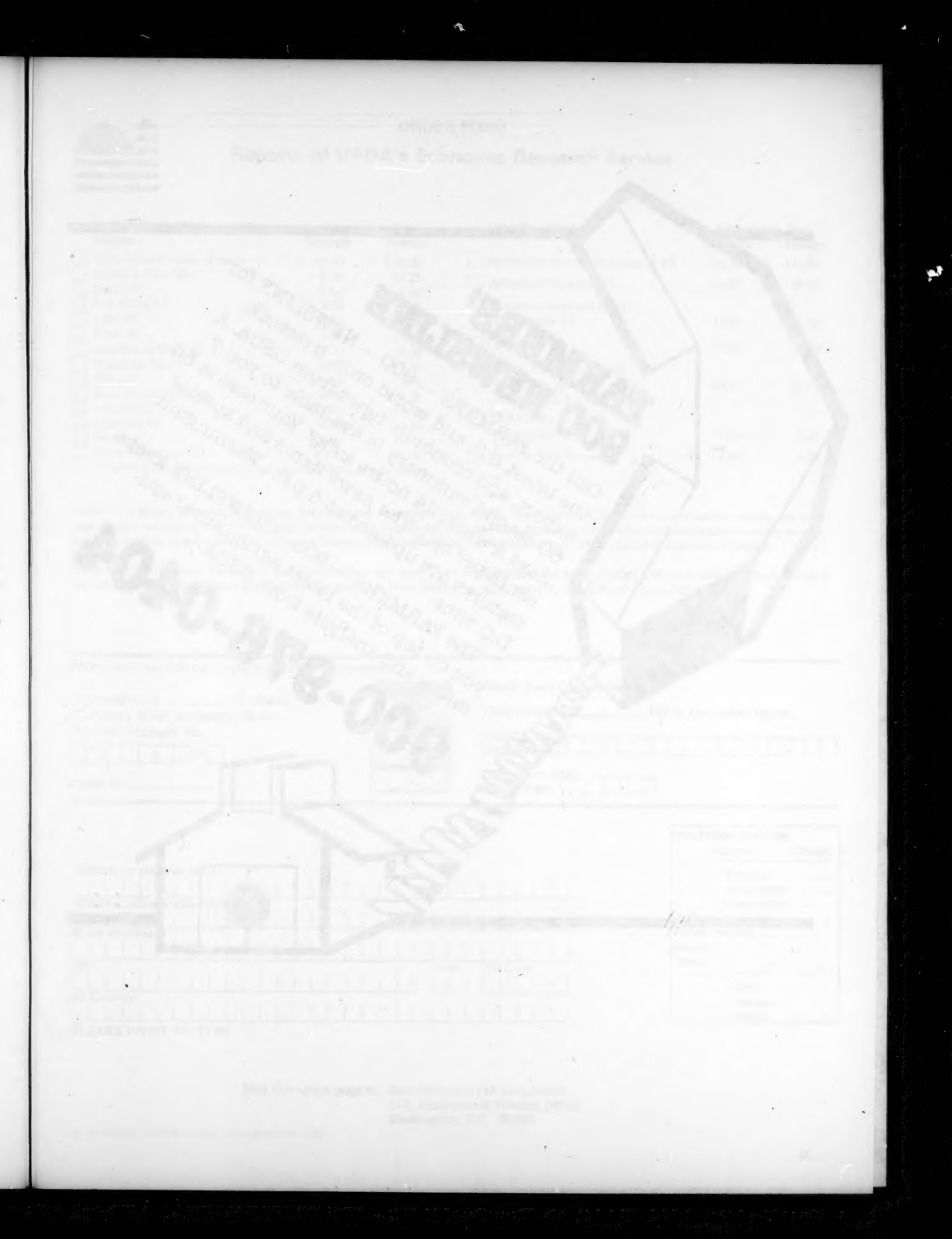

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